

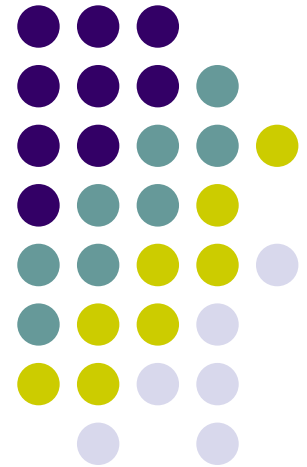
The Drinking Water State Revolving Fund Program

*Steering a Course to Success in
Turbulent Times*

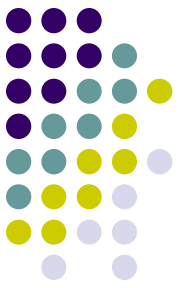
*Nanci Gelb, Deputy Director
EPA Office of Ground Water and Drinking Water*



*CIFA Annual Workshop
Providence, RI
October 21, 2008*

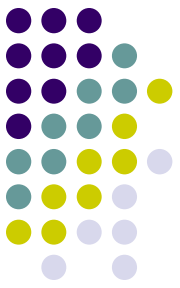


Steering a Course to Success in Turbulent Times



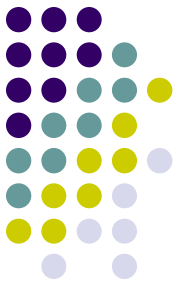
- Macroeconomic Conditions
 - Challenges
 - demand for assistance may drop
 - fund management
 - reserve fund investment
 - leveraging impacts
 - obtaining State match
 - Possible Opportunities
 - larger borrowers may find the DWSRF attractive
 - larger role for guarantee authority





Focus on the Core Mission

- **Fundamental Public Health Protection Objective of DWSRF Program Remains Compelling**
 - Our Collective Challenge
 - Assist communities in meeting essential public health protection needs.
 - Take full advantage of all DWSRF tools and authorities
 - Set-Asides
 - Project financing structured to meet borrower circumstances
- **Maintain a Collective Commitment to Continuous Program Improvement**

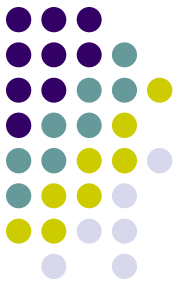


Developing a Shared Perspective

- We are both 51 Tailored and Unique State Programs AND one National Program



Perspective begins with understanding...



- An evolving approach to national level program reviews
 - IUP, Annual/Biennial Reports, Audits, Regional Program Evaluation Reports
- Focus on state successes and challenges
- Collaborative discussions that emphasize continuous improvement
- Allows for identification of common problems and best practices



Priority Issues for the DWSRF

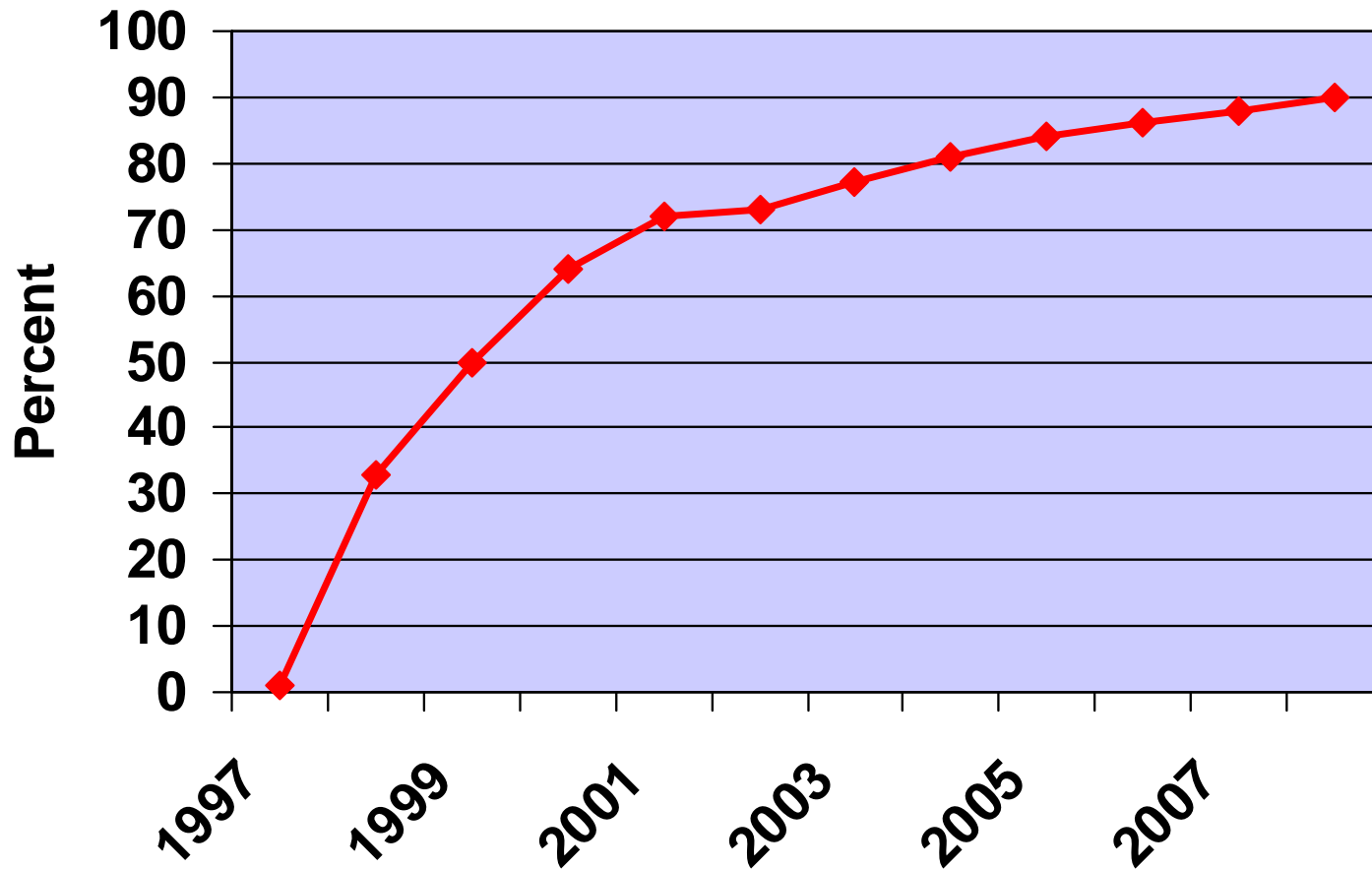


- **We continue to highlight the importance of progress in several areas**
 - **Pace of the Fund and Set-Asides**
 - **DWSRF and PWSS Program Coordination**
 - **IUP Development & Execution**
 - **Audits & Follow Up**

How are we doing?

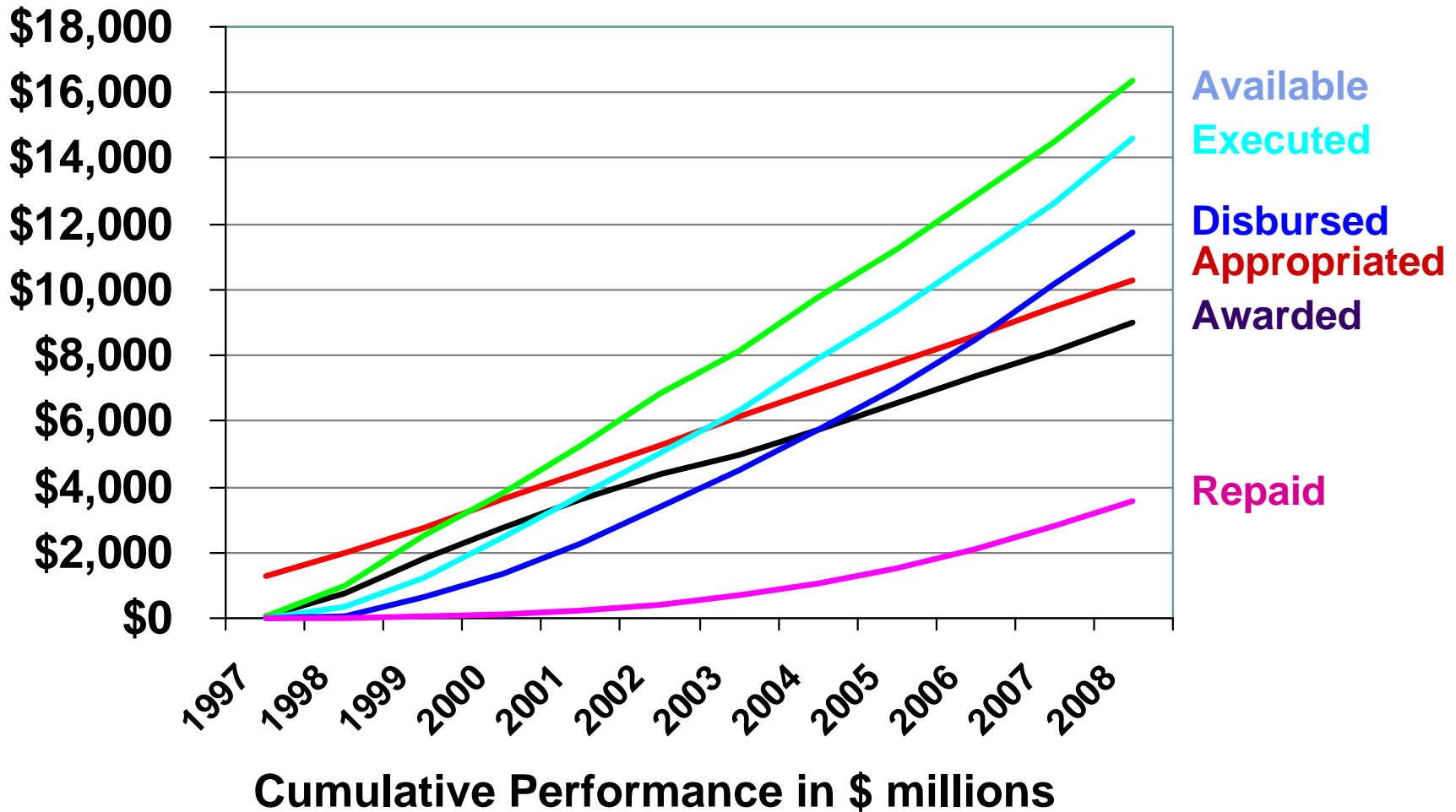


2008 was a record year with an annual pace of 108% and cumulative pace of 90%!

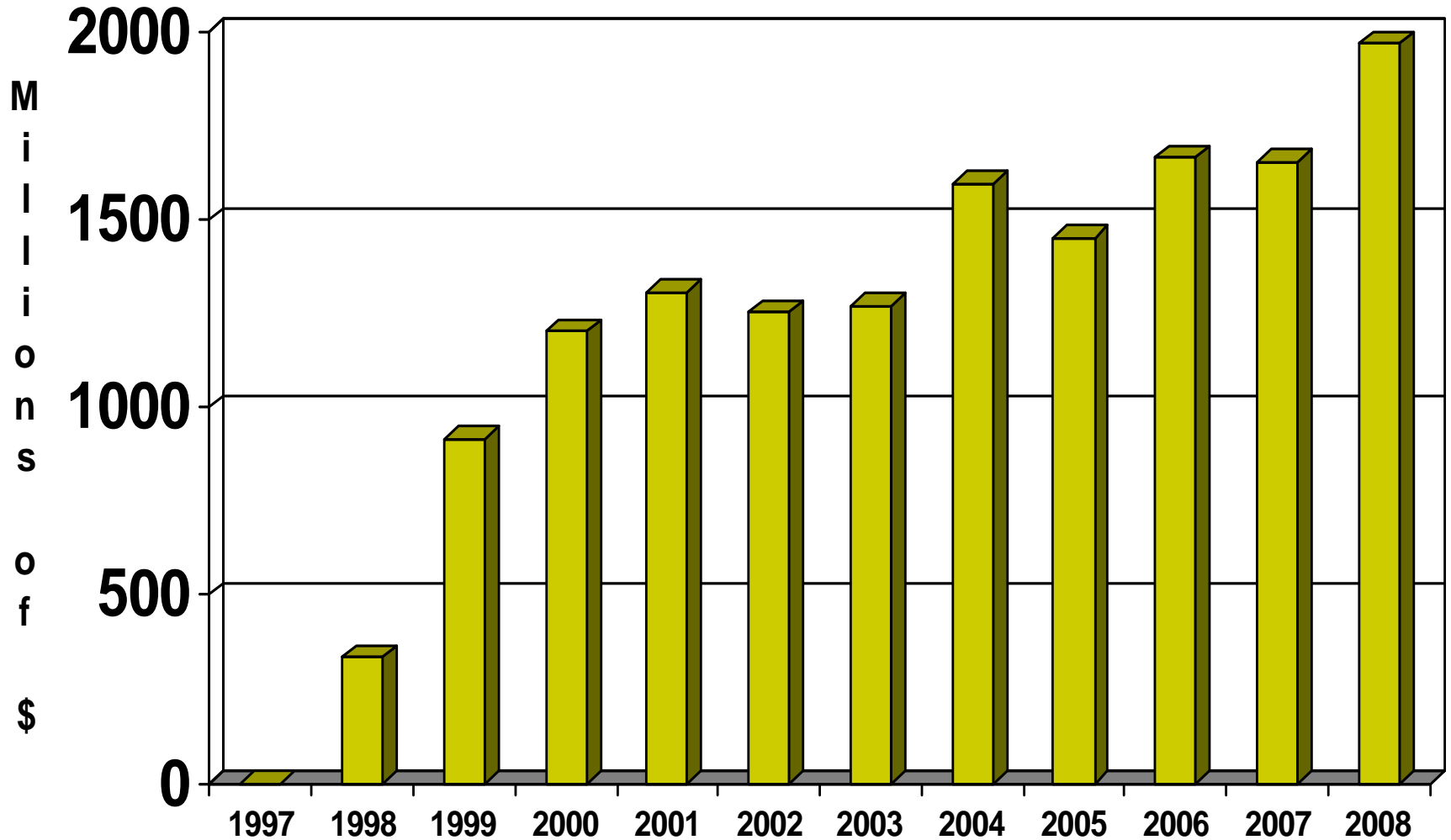


Program Pace (%) = $100(\text{Assistance Provided}) / (\text{Funds Available})$

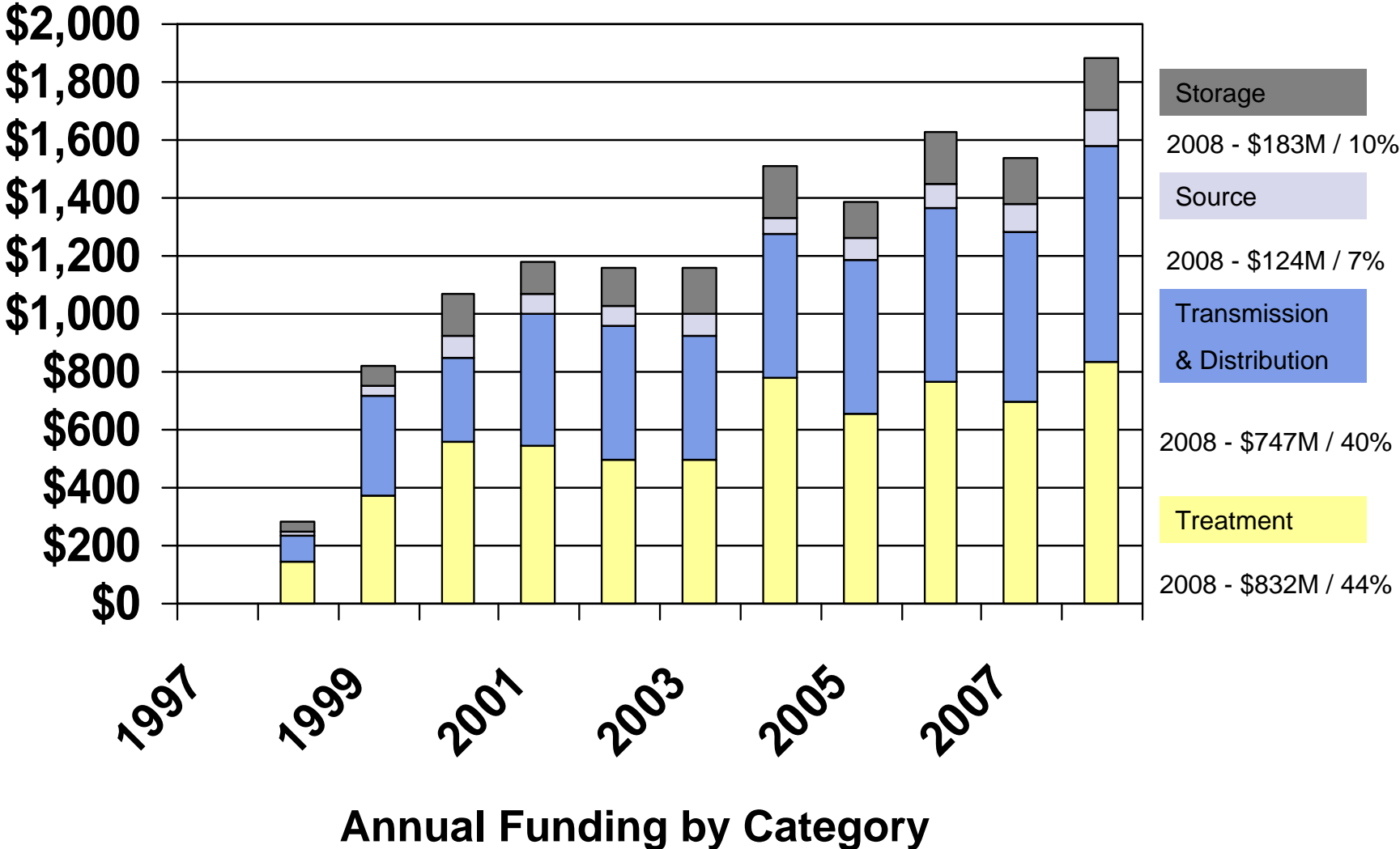
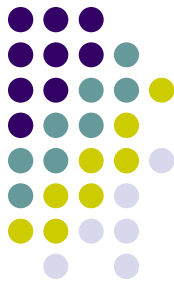
We're successfully maturing



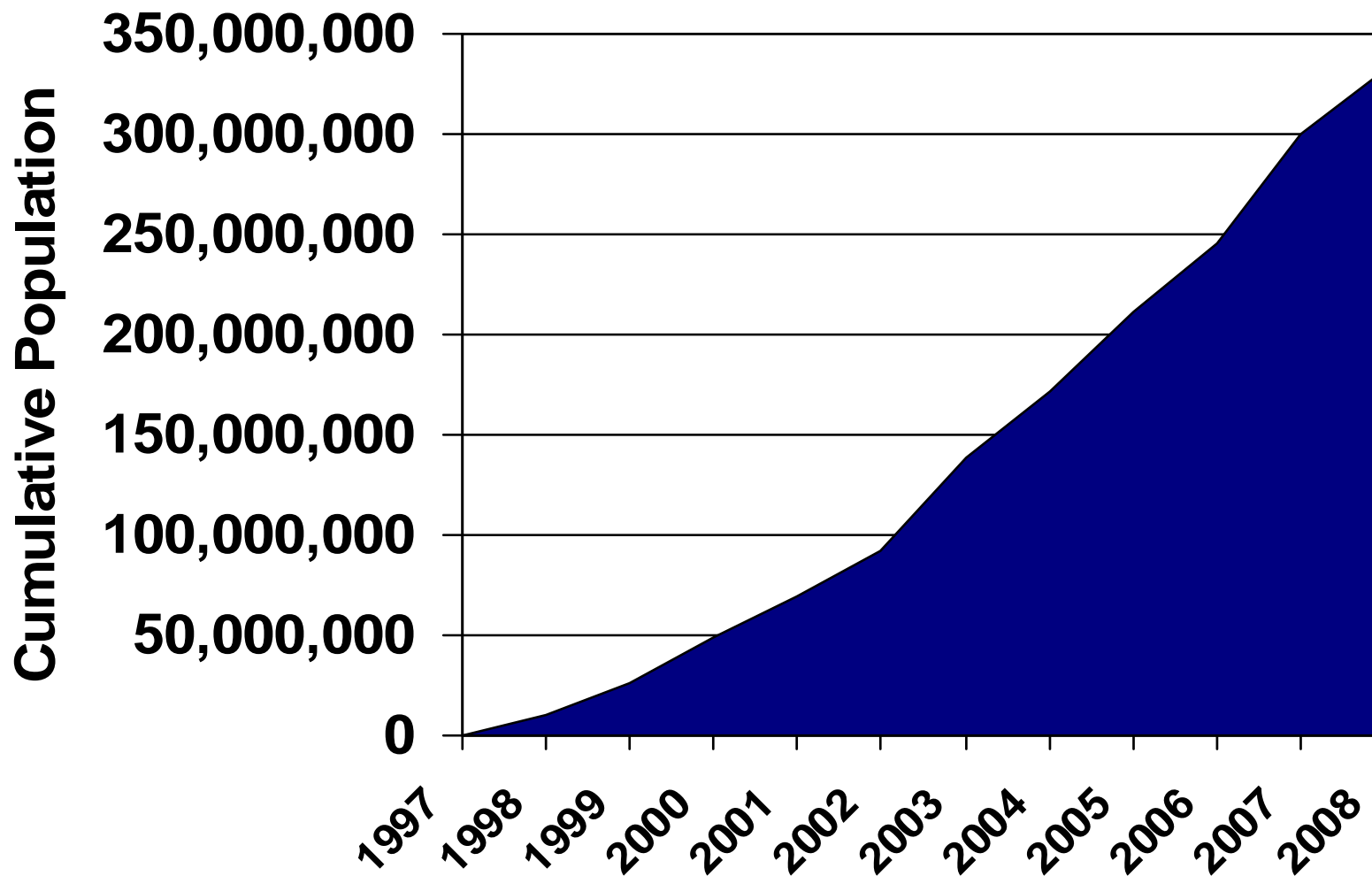
Annual assistance is growing



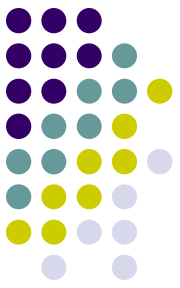
Treatment and pipes continue to dominate costs



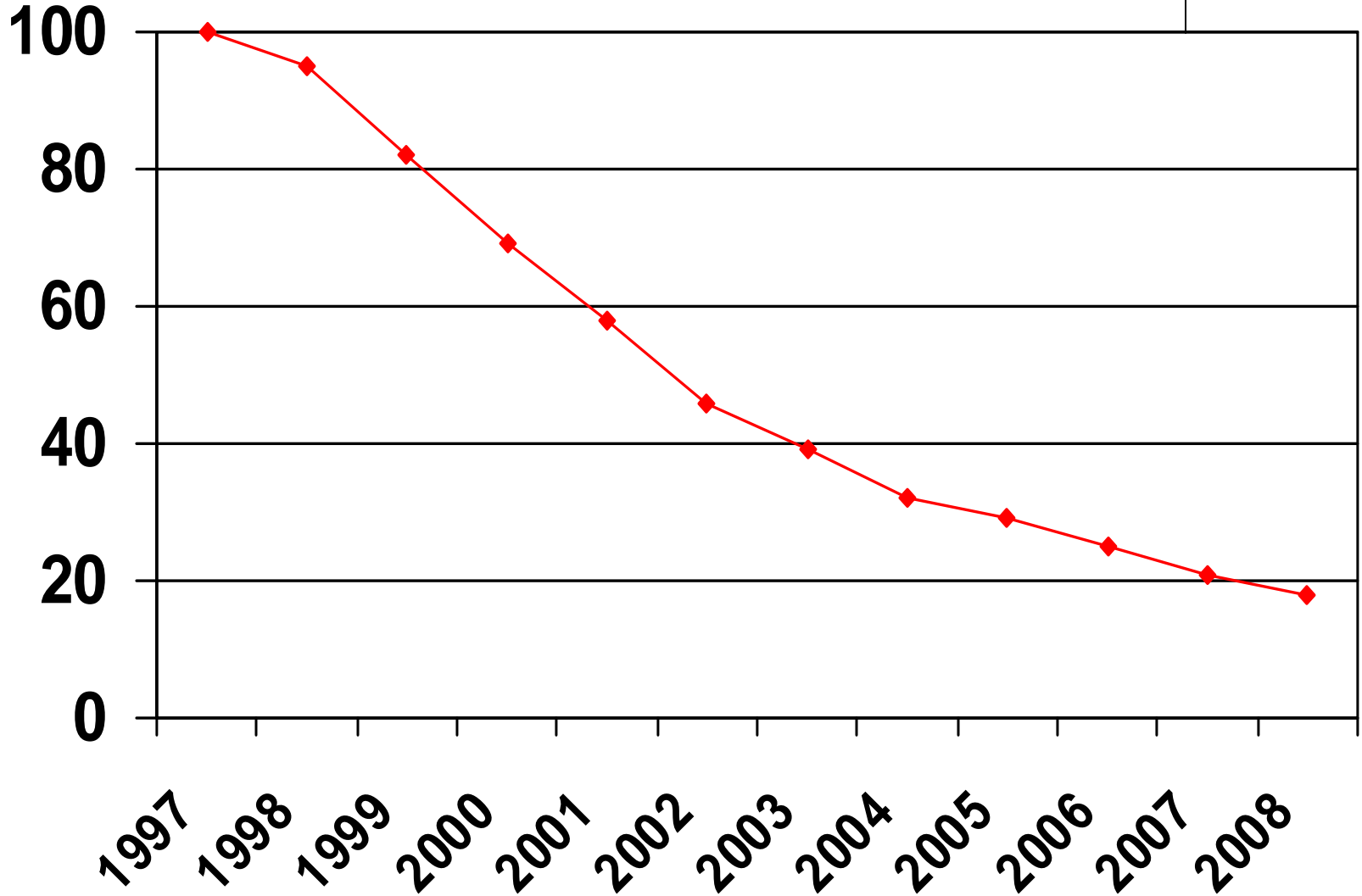
We're protecting public health by increasing population served by the program



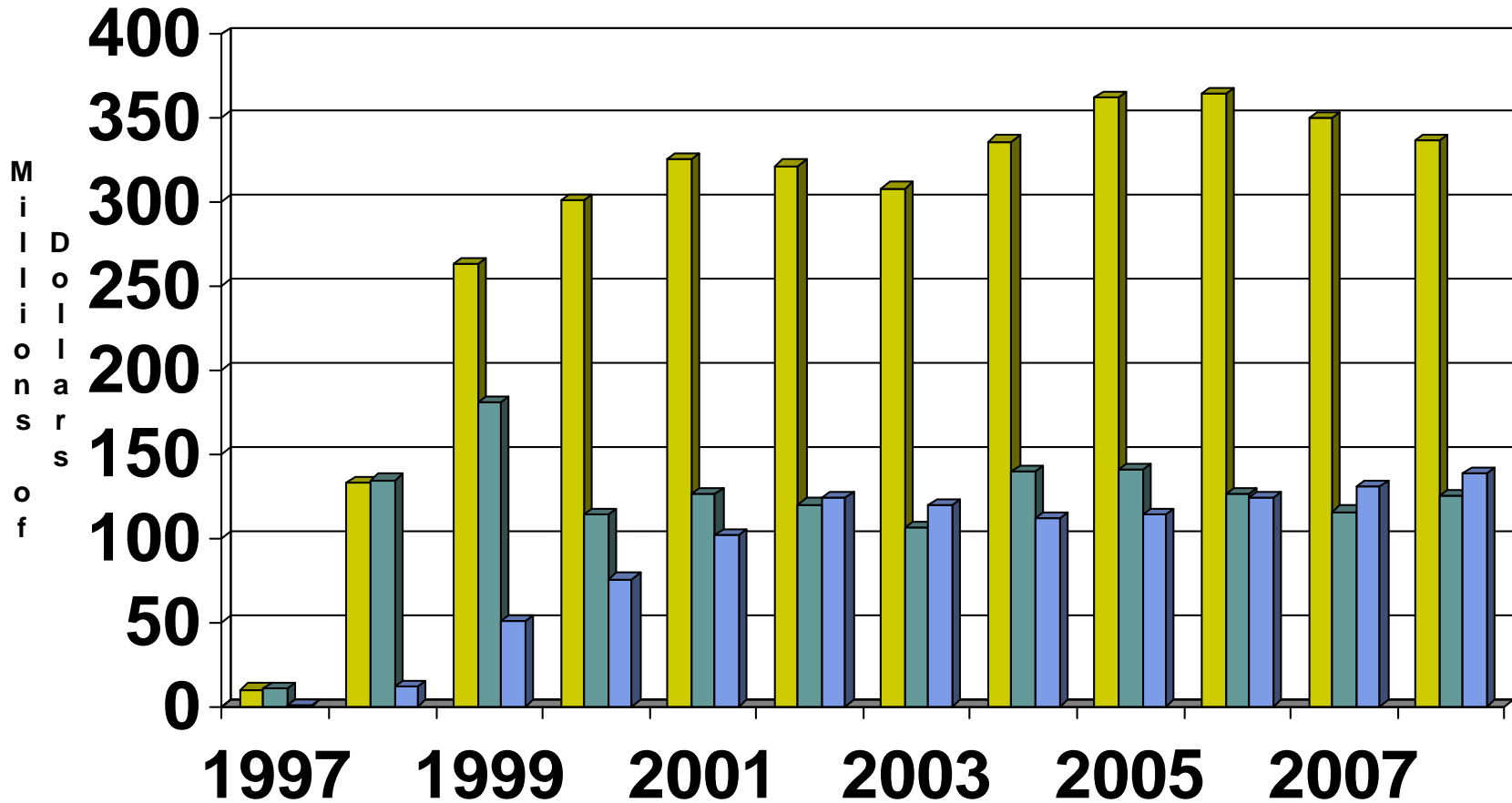
We're reducing unliquidated loan Fund balances



% of Unliquidated Federal Dollars



And also reducing unliquidated balances of set-aside funding



■ Unspent set-aside Dollars ■ New Set-asides Awarded ■ Set-Aside Spending

Vehicles for facilitating continuous improvement

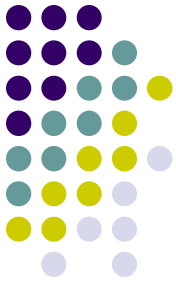


- State/EPA Workgroup
- CIFA Meetings
- ASDWA Meetings
- Program Reviews
- Training

Highlighting DWSRF program Success



Pawtucket, Rhode Island: A Drinking Water State Revolving Fund Success Story



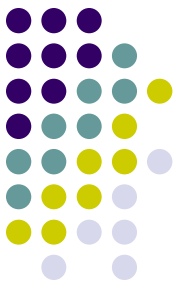


DWSRF AWARDS

FOR SUSTAINABLE PUBLIC HEALTH PROTECTION

Congratulations to the winners of the 4th annual DWSRF Awards for Sustainable Public Health Protection. The 2008 Awards recognize the most innovative and effective DWSRF projects.

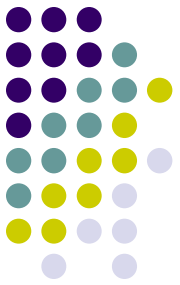




Questions Looking Forward

- Where is the bottom in the economic crisis?
- How will our loan holders and new customers be impacted?
- What changes will a new year and new administration bring?
- What challenges or opportunities would accompany possible stimulus funding?





Some things are certain...

- The DWSRF will continue to play an important, and possibly growing, role in infrastructure financing
- Low interest rates, guarantees, insurance, and disadvantaged assistance make us an attractive funding source
- Our emphasis needs to be on maintaining the financial strength of our program so that we can fund important public health needs

Investing in America



THANK YOU!

*Nanci Gelb, Deputy Director
Office of Ground Water and Drinking Water
United States Environmental Protection Agency*



www.epa.gov/safewater/dwsrf